

**COMMONWEALTH OF VIRGINIA
VIRGINIA GAS AND OIL BOARD HEARING
MINUTES OF JULY 17, 2012**

Pursuant to Sections 45.1-361.9B and 45.1361.22.B of the Code of Virginia, the Virginia Gas and Oil Board held its scheduled monthly hearing commencing at 9 a.m. on Tuesday, July 17, 2012 at the Russell County Government Conference Center, 139 Highland Drive, Lebanon, Virginia.

Members present were Bradley Lambert, Mary Quillen, Bruce Prather, Donnie Ratliff, Allen Compton and Bill Harris.

Staff Present were: Sharon M. B. Pigeon, Sr. Assistant Attorney General, Rick Cooper, Principal Executive to the Board, Diane Davis.

1. The board received public comments.

Comments were received from Mitchell Counts, Kathy Salvage, and Juanita Sneeuwaght.

2. The Board will receive the quarterly report from First Bank and Trust, Escrow Agent for the Virginia Gas and Oil Board.

Debbie Davis updated the Board with the financial status of the Board's escrow account. Tom Davis, Senior Vice-President gave an outlook on the future investments for the Board.

3. The Board will receive an update from Robinson, Farmer & Cox regarding the escrow audit.

Corbin Stone appeared before the Board with his presentation regarding the audit.

4. The Board on its own motion will review election options as discussed in the May hearing.

Continued to August on the Boards motion.

5. A petition from EQT Production Company for disbursement of funds and authorization of direct payment of royalties from escrow

for Tract 3 on behalf of Martha Musick for Unit V-2978, Dickenson County, Virginia. Docket Number VGOB 98-0721-0673-01.

The petition for disbursement was approved and the account will be closed. EQT will provide Tax Map Numbers for recording purposes.

- 6. A petition from EQT Production Company for disbursement of funds and authorization of direct payment of royalties from escrow for Tract 3 on behalf of Martha Musick for Unit V-4522, Dickenson County, Virginia. Docket Number VGOB 00-0630-0814-01.**

The petition for disbursement was approved and the account will be closed. EQT will provide Tax Map Numbers for recording purposes.

- 7. A petition from EQT Production Company for disbursement of funds and authorization of direct payment of royalties from escrow for Tracts 2, 3, 5 on behalf of Sam Breeding, for Unit VC-537521, Russell County, Virginia. Docket Number VGOB 09-0616-2541-03.**

The petition for disbursement was approved. The account will remain open.

- 8. A petition from Range Resources-Pine Mountain, Inc. for a well location exception for proposed well 900117, Prater District, Buchanan County, Virginia. Docket Number VGOB 12-0717-3080.**

The petition was approved.

- 9. A petition from Range Resources-Pine Mountain, Inc. for pooling of a coalbed methane well Lovers Gap 38 CBM Unit AA-75, Prater District, Buchanan County, Virginia. Docket Number VGOB 12-0717-3081.**

The petition was approved with no escrowing required.

- 10. A petition from Range Resources-Pine Mountain, Inc. for pooling of a coalbed methane well Lovers Gap-39 Unit AA-74, Prater District, Buchanan County, Virginia. Docket Number VGOB 12-0717-3082.**

The petition was approved with escrowing required for unknowns.

- 11. The Board will receive an update of Board and Division activities from the staff.**

Rick Cooper provided an update to the board on scanning of old transcripts and the progress of the Board's e-forms system. Mr. Cooper requested that he be allowed to prepare a letter to the companies regarding submission of W9's and Tax Map Numbers for the Chairman's signature..

The Board made a motion to accept and move forward with the recommendation from Robinson, Farmer and Cox.

- 12. The Board will review the June 2012 minutes for approval.**

The minutes were approved.

The Board adjourned at 11:21 a.m.